



QUARTERLY STATEMENT
AS OF JUNE 30, 2013
OF THE CONDITION AND AFFAIRS OF THE
PHYSICIANS HEALTH PLAN

NAIC Group Code 3408 , 3408 NAIC Company Code 95849 Employer's ID Number 38-2356288
(Current Period) (Prior Period)

Organized under the Laws of Michigan , State of Domicile or Port of Entry Michigan

Country of Domicile US

Licensed as business type:

Life, Accident and Health [☐] Property/Casualty [☐] Hospital, Medical and Dental Service or Indemnity [☐]
Dental Service Corporation [☐] Vision Service Corporation [☐] Other [☐]
Health Maintenance Organization [☒] Is HMO Federally Qualified? Yes (☐) No (☒)

Incorporated/Organized December 18, 1980 Commenced Business October 1, 1981

Statutory Home Office 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number, City or Town, State, Country and Zip Code)

Main Administrative Office 1400 East Michigan Avenue, Lansing, Michigan, US 48912 517-364-8400
(Street and Number, City or Town, State, Country and Zip Code) (Area Code) (Telephone Number)

Mail Address 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number or P. O. Box, City or Town, State, Country and Zip Code)

Primary Location of Books and Records 1400 East Michigan Avenue, Lansing, Michigan, US 48912
(Street and Number, City or Town, State, Country and Zip Code)
517-364-8400
(Area Code) (Telephone Number)

Internet Website Address www.phpmm.org

Statutory Statement Contact Kevin Essenmacher 517-364-8400
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OFFICERS

Scott Wilkerson (President)
Kenneth Rudman, MD# (Secretary)
Patrick Gribben, Jr (Treasurer)

OTHER OFFICERS

James Butler, III# (Chairperson)

DIRECTORS OR TRUSTEES

Diana Rodriguez Algra
Judith Cardenas, PhD#
MaryLee Davis, PhD
Timothy Hodge, DO#
Bradley Hoopingarner, MD
Patrick McPharlin#
Kenneth Rudman, MD
Scott Wilkerson

James Butler, III
Kathleen Conklin
Patrick Gribben, Jr
Thomas Hofman, PhD
David Kaufman, DO#
Deborah Muchmore
Dennis Swan

State of Michigan }
County of Ingham } SS

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively.

Scott Wilkerson
President

James Butler, III#
Chairperson

Kenneth Rudman, MD#
Secretary

Subscribed and sworn to before me this
day of _____
a. Is this an original filing? Yes (X) No ()
b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Statement Date			4 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Col. 1 minus Col. 2)	
1. Bonds				
2. Stocks:				
2.1 Preferred stocks				
2.2 Common stocks	39,233,420		39,233,420	38,386,562
3. Mortgage loans on real estate:				
3.1 First liens				
3.2 Other than first liens				
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	1,810,497		1,810,497	1,864,644
4.2 Properties held for the production of income (less \$ encumbrances)				
4.3 Properties held for sale (less \$ encumbrances)				
5. Cash (\$ (7,738,804)), cash equivalents (\$) and short-term investments (\$ 21,698,171)	13,959,366		13,959,366	18,036,456
6. Contract loans (including \$ premium notes)				
7. Derivatives				
8. Other invested assets	6,732,352		6,732,352	6,259,898
9. Receivables for securities				
10. Securities lending reinvested collateral assets				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Line 1 to Line 11)	61,735,635		61,735,635	64,547,560
13. Title plants less \$ charged off (for Title insurers only)				
14. Investment income due and accrued	519		519	664
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	3,407,600		3,407,600	2,847,056
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)				
15.3 Accrued retrospective premiums				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	649,530		649,530	150,497
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset				
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	4,058,396	3,947,389	111,007	143,185
21. Furniture and equipment, including health care delivery assets (\$)	32,713	32,713		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,750,101		1,750,101	1,486,878
24. Health care (\$ 2,647,986) and other amounts receivable	13,210,799	1,190,282	12,020,517	10,772,203
25. Aggregate write-ins for other than invested assets	542,541	542,541		
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Line 12 to Line 25)	85,387,834	5,712,925	79,674,909	79,948,043
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. Totals (Line 26 and Line 27)	85,387,834	5,712,925	79,674,909	79,948,043
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. Totals (Line 1001 through Line 1103 plus Line 1198) (Line 11 above)				
2501. PREPAIDS	542,541	542,541		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	542,541	542,541		

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1	2	3	4
	Covered	Uncovered	Total	Total
1. Claims unpaid (less \$ reinsurance ceded)	11,423,399	4,944,343	16,367,742	18,433,979
2. Accrued medical incentive pool and bonus amounts	2,604,778		2,604,778	4,650,786
3. Unpaid claims adjustment expenses	324,618		324,618	341,597
4. Aggregate health policy reserves, including the liability of \$ for medical loss ratio rebate per the Public Health Service Act				
5. Aggregate life policy reserves				
6. Property/casualty unearned premium reserve				
7. Aggregate health claim reserves				
8. Premiums received in advance	308,395		308,395	1,016,433
9. General expenses due or accrued	5,234,931		5,234,931	2,567,580
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))				
10.2 Net deferred tax liability				
11. Ceded reinsurance premiums payable				
12. Amounts withheld or retained for the account of others	119,000		119,000	150,647
13. Remittances and items not allocated				
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)				
15. Amounts due to parent, subsidiaries and affiliates	160,672		160,672	60,486
16. Derivatives				
17. Payable for securities				
18. Payable for securities lending				
19. Funds held under reinsurance treaties (with \$ authorized reinsurers, \$ unauthorized reinsurers and \$ certified reinsurers)				
20. Reinsurance in unauthorized and certified (\$) companies				
21. Net adjustments in assets and liabilities due to foreign exchange rates				
22. Liability for amounts held under uninsured plans				
23. Aggregate write-ins for other liabilities (including \$ current)				
24. Total liabilities (Line 1 to Line 23)	20,175,793	4,944,343	25,120,136	27,221,508
25. Aggregate write-ins for special surplus funds	X X X	X X X		
26. Common capital stock	X X X	X X X		
27. Preferred capital stock	X X X	X X X		
28. Gross paid in and contributed surplus	X X X	X X X		
29. Surplus notes	X X X	X X X		
30. Aggregate write-ins for other than special surplus funds	X X X	X X X		
31. Unassigned funds (surplus)	X X X	X X X	54,554,773	52,726,535
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 \$)	X X X	X X X		
32.2 shares preferred (value included in Line 27 \$)	X X X	X X X		
33. Total capital and surplus (Line 25 to Line 31 minus Line 32)	X X X	X X X	54,554,773	52,726,535
34. Total Liabilities, capital and surplus (Line 24 and Line 33)	X X X	X X X	79,674,909	79,948,043
DETAILS OF WRITE-INS				
2301.				
2302.				
2303.				
2398. Summary of remaining write-ins for Line 23 from overflow page				
2399. Totals (Line 2301 through Line 2303 plus Line 2398) (Line 23 above)				
2501.	X X X	X X X		
2502.	X X X	X X X		
2503.	X X X	X X X		
2598. Summary of remaining write-ins for Line 25 from overflow page	X X X	X X X		
2599. Totals (Line 2501 through Line 2503 plus Line 2598) (Line 25 above)	X X X	X X X		
3001.	X X X	X X X		
3002.	X X X	X X X		
3003.	X X X	X X X		
3098. Summary of remaining write-ins for Line 30 from overflow page	X X X	X X X		
3099. Totals (Line 3001 through Line 3003 plus Line 3098) (Line 30 above)	X X X	X X X		

STATEMENT OF REVENUE AND EXPENSES

	Current Year to Date		Prior Year to Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months	X X X	213,014	206,129	420,519
2. Net premium income (including \$ non-health premium income)	X X X	83,973,430	81,703,251	166,175,961
3. Change in unearned premium reserves and reserve for rate credits	X X X			
4. Fee-for-service (net of \$ medical expenses)	X X X			
5. Risk revenue	X X X			
6. Aggregate write-ins for other health care related revenues	X X X	34,046,967	21,397,352	48,414,507
7. Aggregate write-ins for other non-health revenues	X X X			
8. Total revenues (Line 2 to Line 7)	X X X	118,020,397	103,100,603	214,590,468
Hospital and Medical:				
9. Hospital/medical benefits		50,763,383	47,886,139	97,516,968
10. Other professional services		5,756,469	5,077,127	10,206,215
11. Outside referrals				
12. Emergency room and out-of-area		26,471,028	21,277,357	45,163,881
13. Prescription drugs		24,164,192	18,429,113	41,777,876
14. Aggregate write-ins for other hospital and medical		190,442	105,430	453,748
15. Incentive pool, withhold adjustments and bonus amounts		2,625,311	2,397,358	4,641,802
16. Subtotal (Line 9 to Line 15)		109,970,825	95,172,524	199,760,490
Less:				
17. Net reinsurance recoveries		292,873	317,493	1,893,650
18. Total hospital and medical (Line 16 minus Line 17)		109,677,952	94,855,031	197,866,840
19. Non-health claims (net)				
20. Claims adjustment expenses, including \$ 1,334,219 cost containment expenses		1,944,926	2,079,661	4,268,792
21. General administrative expenses		6,058,884	6,478,614	13,298,252
22. Increase in reserves for life and accident and health contracts (including \$ increase in reserves for life only)				
23. Total underwriting deductions (Line 18 through Line 22)		117,681,762	103,413,306	215,433,884
24. Net underwriting gain or (loss) (Line 8 minus Line 23)	X X X	338,635	(312,703)	(843,416)
25. Net investment income earned		143,541	164,866	782,560
26. Net realized capital gains (losses) less capital gains tax of \$		187,282	16,456	16,456
27. Net investment gains (losses) (Line 25 plus Line 26)		330,823	181,322	799,016
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]				
29. Aggregate write-ins for other income or expenses				25,000
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Line 24 plus Line 27 plus Line 28 plus Line 29)	X X X	669,458	(131,381)	(19,400)
31. Federal and foreign income taxes incurred	X X X			
32. Net income (loss) (Line 30 minus Line 31)	X X X	669,458	(131,381)	(19,400)
DETAILS OF WRITE-INS				
0601. HHS REIMBURSEMENT HIGH RISK POOL PROGRAM	X X X	34,046,967	21,397,352	48,414,507
0602.	X X X			
0603.	X X X			
0698. Summary of remaining write-ins for Line 6 from overflow page	X X X			
0699. Totals (Line 0601 through Line 0603 plus Line 0698) (Line 6 above)	X X X	34,046,967	21,397,352	48,414,507
0701.	X X X			
0702.	X X X			
0703.	X X X			
0798. Summary of remaining write-ins for Line 7 from overflow page	X X X			
0799. Totals (Line 0701 through Line 0703 plus Line 0798) (Line 7 above)	X X X			
1401. OTHER MEDICAL		190,442	105,430	453,748
1402.				
1403.				
1498. Summary of remaining write-ins for Line 14 from overflow page				
1499. Totals (Line 1401 through Line 1403 plus Line 1498) (Line 14 above)		190,442	105,430	453,748
2901.				
2902. PROVISION FOR BAD DEBT				25,000
2903.				
2998. Summary of remaining write-ins for Line 29 from overflow page				
2999. Totals (Line 2901 through Line 2903 plus Line 2998) (Line 29 above)				25,000

STATEMENT OF REVENUE AND EXPENSES (continued)

CAPITAL AND SURPLUS ACCOUNT	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
33. Capital and surplus prior reporting year	52,726,535	46,803,629	46,803,629
34. Net income (loss) from Line 32	669,458	(131,381)	(19,400)
35. Change in valuation basis of aggregate policy and claims reserves			
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	978,726	1,091,273	2,730,119
37. Change in net unrealized foreign exchange capital gain or (loss)			
38. Change in net deferred income tax			
39. Change in nonadmitted assets	180,054	238,432	3,212,187
40. Change in unauthorized and certified reinsurance			
41. Change in treasury stock			
42. Change in surplus notes			
43. Cumulative effect of changes in accounting principles			
44. Capital Changes:			
44.1 Paid in			
44.2 Transferred from surplus (Stock Dividend)			
44.3 Transferred to surplus			
45. Surplus adjustments:			
45.1 Paid in			
45.2 Transferred to capital (Stock Dividend)			
45.3 Tranferred from capital			
46. Dividends to stockholders			
47. Aggregate write-ins for gains or (losses) in surplus			
48. Net change in capital and surplus (Line 34 to Line 47)	1,828,238	1,198,324	5,922,906
49. Capital and surplus end of reporting period (Line 33 plus Line 48)	54,554,773	48,001,953	52,726,535
DETAILS OF WRITE-INS			
4701.			
4702.			
4703.			
4798. Summary of remaining write-ins for Line 47 from overflow page			
4799. Totals (Line 4701 through Line 4703 plus Line 4798) (Line 47 above)			

CASH FLOW

	1	2	3
	Current Year To Date	Prior Year To Date	Prior Year Ended December 31
Cash from Operations			
1. Premiums collected net of reinsurance	82,704,848	81,992,286	165,663,174
2. Net investment income	143,686	164,452	782,584
3. Miscellaneous income	33,793,032	18,143,632	44,006,770
4. Total (Line 1 through Line 3)	116,641,566	100,300,370	210,452,528
5. Benefit and loss related payments	114,919,831	95,491,118	192,899,469
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts			
7. Commissions, expenses paid and aggregate write-ins for deductions	4,464,520	8,153,532	17,603,213
8. Dividends paid to policyholders			
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses)			
10. Total (Line 5 through Line9)	119,384,351	103,644,650	210,502,682
11. Net cash from operations (Line 4 minus Line 10)	(2,742,785)	(3,344,280)	(50,154)
Cash from Investments			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds			
12.2 Stocks	1,111,867	15,563,053	15,563,054
12.3 Mortgage loans			
12.4 Real estate			
12.5 Other invested assets	2,214		
12.6 Net gains or (losses) on cash, cash equivalants and short-term investments			
12.7 Miscellaneous proceeds	53,886	51,426	106,481
12.8 Total investment proceeds (Line 12.1 through Line 12.7)	1,167,967	15,614,479	15,669,535
13. Cost of investments acquired (long-term only):			
13.1 Bonds			
13.2 Stocks	1,267,124	775,289	1,412,676
13.3 Mortgage loans			
13.4 Real estate			6,800
13.5 Other invested assets			104,000
13.6 Miscellaneous applications		283,504	
13.7 Total investments acquired (Line 13.1 through Line 13.6)	1,267,124	1,058,793	1,523,476
14. Net increase or (decrease) in contract loans and premium notes			
15. Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(99,157)	14,555,686	14,146,059
Cash from Financing and Miscellaneous Sources			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes			
16.2 Capital and paid in surplus, less treasury stock			
16.3 Borrowed funds			
16.4 Net deposits on deposit-type contracts and other insurance liabilities			
16.5 Dividends to stockholders			
16.6 Other cash provided (applied)	(1,235,149)	132,806	1,025,417
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(1,235,149)	132,806	1,025,417
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Line 15 plus Line 17)	(4,077,091)	11,344,212	15,121,322
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year	18,036,457	2,915,135	2,915,135
19.2 End of period (Line 18 plus Line 19.1)	13,959,366	14,259,347	18,036,457

Note: Supplemental disclosures of cash flow information for non-cash transactions:

20.0001			
20.0002			
20.0003			
20.0004			
20.0005			
20.0006			
20.0007			
20.0008			
20.0009			
20.0010			

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1 Total	Comprehensive (Hospital and Medical)		4 Medicare Supplement	5 Vision Only	6 Dental Only	7 Federal Employees Health Benefit Plan	8 Title XVIII Medicare	9 Title XIX Medicaid	10 Other
		2 Individual	3 Group							
Total Members at end of:										
1. Prior Year	36,614	127	33,868				379			2,240
2. First Quarter	35,568	121	32,540				394			2,513
3. Second Quarter	35,447	114	32,638				395			2,300
4. Third Quarter										
5. Current Year										
6. Current Year Member Months	213,014	697	196,144				2,402			13,771
Total Member Ambulatory Encounters for Period:										
7. Physician	125,278	469	104,660				1,565			18,584
8. Non-Physician	63,656	238	53,906				639			8,873
9. Total	188,934	707	158,566				2,204			27,457
10. Hospital Patient Days Incurred	3,686	42	907				50			2,687
11. Number of Inpatient Admissions	1,069	7	498				16			548
12. Health Premiums Written (a)	84,727,140	360,852	79,555,594				838,315			3,972,379
13. Life Premiums Direct										
14. Property/Casualty Premiums Written										
15. Health Premiums Earned	84,727,140	360,852	79,555,594				838,315			3,972,379
16. Property/Casualty Premiums Earned										
17. Amount Paid for Provision of Health Care Services	117,645,075	501,048	78,064,543				1,072,058			38,007,426
18. Amount Incurred for Provision of Health Care Services	109,970,825	468,364	70,751,268				1,155,686			37,595,507

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

Aging Analysis of Unpaid Claims

1 Account	2 1 - 30 Days	3 31 - 60 Days	4 61 - 90 Days	5 91 - 120 Days	6 Over 120 Days	7 Total
0599999 - Unreported claims and other claim reserves						16,367,742
0799999 - Total claims unpaid						16,367,742
0899999 - Accrued medical incentive pool and bonus amounts						2,604,778

UNDERWRITING AND INVESTMENT EXHIBIT

ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 plus 3)	6 Estimated Claim Reserve and Claim Liability December 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid December 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital and medical)	10,876,150	63,251,770	309,506	7,187,185	11,185,656	8,996,294
2. Medicare Supplement						
3. Dental only						
4. Vision only						
5. Federal Employees Health Benefits Plan	236,111	835,946	6,268	77,360	242,379	418,813
6. Title XVIII - Medicare						
7. Title XIX - Medicaid						
8. Other health	7,063,752	30,943,674	260,775	8,526,648	7,324,527	9,018,872
9. Health subtotal (Line 1 to Line 8)	18,176,013	95,031,390	576,549	15,791,193	18,752,562	18,433,979
10. Healthcare recievables (a)	1,858,275	1,996,602			1,858,275	
11. Other non-health						
12. Medical incentive pools and bonus amounts	4,437,671		230,863	2,373,915	4,668,534	4,650,786
13. Totals (Line 9 minus Line 10 plus Line 11 plus Line 12)	20,755,409	93,034,788	807,412	18,165,108	21,562,821	23,084,765

(a) Excludes \$loans or advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES**A. Accounting Practices**

The financial statements of Physicians Health Plan (PHP) are presented on the basis of accounting practices prescribed or permitted by the Michigan Department of Insurance and Financial Services (DIFS).

DIFS recognizes only statutory accounting practices prescribed or permitted by the state of Michigan for determining and reporting the financial condition and results of operations of an insurance company. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

Not applicable

3. BUSINESS COMBINATIONS AND GOODWILL

Not applicable

4. DISCONTINUED OPERATIONS

Not applicable

5. INVESTMENTS

No significant change

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

Not applicable

7. INVESTMENT INCOME

All investment income due or accrued has been included in the filing.

8. DERIVATIVE INSTRUMENTS

Not applicable

9. INCOME TAXES

PHP is exempt from federal income taxes under Section 501(c)(4) of the Internal Revenue Code.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No significant change

11. DEBT

Not applicable

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No significant change

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

Not applicable

14. CONTINGENCIES

No significant change

NOTES TO FINANCIAL STATEMENTS

15. LEASES

Not applicable

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

Not applicable

19. DIRECT PREMIUM WRITTEN / PRODUCED BY MANAGING GENERAL AGENTS / THIRD PARTY ADMINISTRATORS

Not applicable

20. FAIR VALUE MEASUREMENTS

A.

1. Assets Measured at Fair Value on a Recurring Basis:

1	2	3	4	5
Description for Each Class of Asset or Liability	Level 1	Level 2	Level 3	Total
a. Assets at Fair Value				
Mutual Funds	\$ 30,708,308			\$ 30,708,308
Short-Term Investments	21,698,171	-	-	21,698,171
Total Assets at Fair Value	\$ 52,406,479	\$ -	\$ -	\$ 52,406,479

There are no assets or liabilities recorded at fair value on a non-recurring basis as of June 30, 2013 and December 31, 2012.

The Company has categorized its assets and liabilities into the three-level fair value hierarchy based upon the priority of the inputs to the respective valuation technique. The following summarizes the type of assets and liabilities owned by the Company that are included within the three-level fair value hierarchy presented in the table above:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets and liabilities: This category is generally quotes for debt or equity securities actively traded in exchange or over-the-counter markets.

Level 2 – Significant other observable inputs: The Company has no Level 2 assets or liabilities.

Level 3 – Significant unobservable inputs: The Company has no Level 3 assets or liabilities.

2. Fair Value Measurements in (Level 3) of the Fair Value Hierarchy

The Company has no assets or liabilities measured at fair value in the Level 3 category

3. Policy on Transfers Into and Out of Level 3

At the end of each reporting period, the Company evaluates whether or not any event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Level 3. During the current year, no transfers into or out of Level 3 were required.

NOTES TO FINANCIAL STATEMENTS

4. Inputs and Techniques Used for Level 2 and Level 3 Fair Values

The Company has no assets or liabilities measured at fair value in the Level 3 category.

5. Derivative Fair Value

Not applicable

B. Other Fair Value Disclosures

Not applicable

C. Reasons Not Practical to Estimate Fair Values

Not applicable

21. OTHER ITEMS

No significant change

22. EVENTS SUBSEQUENT

Not applicable

23. REINSURANCE

No significant change

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

No significant change

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable

27. STRUCTURED SETTLEMENTS

Not applicable

28. HEALTH CARE RECEIVABLES

No significant change

29. PARTICIPATING POLICIES

Not applicable

30. PREMIUM DEFICIENCY RESERVES

No significant change

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes () No (X)
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes () No ()
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes () No (X)
- 2.2

If yes, date of change:

.....
- 3.1

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes () No (X)
- 3.2

If the response to 3.1 is yes, provide a brief description of those changes.
.....
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes () No (X)
- 4.2

If the response to 4.1 is yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
---------------------	------------------------	------------------------

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes () No (X) N/A ()
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2011
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

03/29/2013
- 6.4

By what department or departments?

MICHIGAN DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes (X) No () N/A ()
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes (X) No () N/A ()
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes () No (X)
- 7.2

If yes, give full information

.....
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes () No (X)
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.

.....
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes () No (X)
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
---------------------	-----------------------------	----------	----------	-----------	----------

GENERAL INTERROGATORIES (continued)

PART 1 - COMMON INTERROGATORIES

GENERAL

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes (X) No ()
- 9.11

If the response to 9.1 is No, please explain:

.....
.....
- 9.2

Has the code of ethics for senior managers been amended?

Yes () No (X)
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s) .

.....
.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?

Yes () No (X)
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s) .

.....
.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes (X) No ()
- 10.2

If yes, indicate the amounts receivable from parent included in the Page 2 amount:

\$

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes () No (X)
- 11.2

If yes, give full and complete information relating thereto:

.....
.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$
13.

Amount of real estate and mortgages held in short-term investments:

\$
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes (X) No ()
- 14.2

If yes, please complete the following:
- | | 1 | 2 |
|---|---|--|
| | Prior Year-End Book/
Adjusted Carrying Value | Current Quarter Book/
Adjusted Carrying Value |
| 14.21 Bonds | \$ | \$ |
| 14.22 Preferred Stock | \$ | \$ |
| 14.23 Common Stock | \$ 8,982,259 | \$ 8,525,112 |
| 14.24 Short-Term Investments | \$ | \$ |
| 14.25 Mortgage Loans on Real Estate | \$ | \$ |
| 14.26 All Other | \$ 6,259,898 | \$ 6,732,352 |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Line 14.21 to Line 14.26) | \$ 15,242,157 | \$ 15,257,464 |
| 14.28 Total Investment in Parent included in Line 14.21 to Line 14.26 above | \$ | \$ |
- 15.1

Has the reporting entity entered into any hedging transactions reported on schedule DB?

Yes () No (X)
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?

If no, attach a description with this statement.

Yes () No ()

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

INVESTMENT

16. For the reporting entity's security lending program, state the amount of the following as of current statement date:
- 16.1 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$
- 16.2 Total book adusted/carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2

\$
- 16.3 Total payable for securities lending reported on the liability page

\$
17. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Consideration, F - Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?

Yes (X) No ()

17.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

<div>1</div> <div>Name of Custodian(s)</div>	<div>2</div> <div>Custodian Address</div>
--	---

BNY MELLON ONE MELLON CENTER, PITTSBURGH, PA 19458-0001

17.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

<div>1</div> <div>Name(s)</div>	<div>2</div> <div>Location(s)</div>	<div>3</div> <div>Complete Explanation(s)</div>
---------------------------------	-------------------------------------	---

17.3 Have there been any changes, including name changes, in the custodian(s) identified in 17.1 during the current quarter?

Yes () No (X)

17.4 If yes, give full and complete information relating thereto:

<div>1</div> <div>Old Custodian</div>	<div>2</div> <div>New Custodian</div>	<div>3</div> <div>Date of Change</div>	<div>4</div> <div>Reason</div>
---------------------------------------	---------------------------------------	--	--------------------------------

17.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

<div>1</div> <div>Central Registration Depository</div>	<div>2</div> <div>Name(s)</div>	<div>3</div> <div>Address</div>
---	---------------------------------	---------------------------------

N/A SEI 1 FREEDOM DRIVE, OAKS, PA 19456

18.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?

Yes () No ()

18.2 If no, list exceptions:

.....

GENERAL INTERROGATORIES (continued)
PART 2 - HEALTH

1.	Operating Percentages:	
1.1	A&H loss percent 94.1 %
1.2	A&H cost containment percent 1.1 %
1.3	A&H expense percent excluding cost containment expenses 5.7 %
2.1	Do you act as a custodian for health savings accounts?	Yes () No (X)
2.2	If yes, please provide the amount of custodial funds held as of the reporting date.	\$
2.3	Do you act as an administrator for health savings accounts?	Yes () No (X)
2.4	If yes, please provide the balance of the funds administered as of the reporting date.	\$

SCHEDULE S - CEDED REINSURANCE

Showing All New Reinsurance Treaties - Current Year to Date

1 NAIC Company Code	2 Federal ID Number	3 Effective Date	4 Name of Reinsurer	5 Domiciliary Jurisdiction	6 Type of Reinsurance Ceded	7 Is Insurer Authorized? (Yes or No)
------------------------------	------------------------------	------------------------	----------------------------	--------------------------------------	--------------------------------------	---

0199998 - Accident and Health - Affiliates

Accident and Health - Non-Affiliates
39845 48-0921045 01/01/2013 WESTPORT INS CORP MO SSL/A/I Yes
0299998 - Accident and Health - Non-Affiliates

0399998 - Life and Annuity - Affiliates

0499998 - Life and Annuity - Non-Affiliates

0599998 - Property/Casualty - Affiliates

0699998 - Property/Casualty - Non-Affiliates

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories

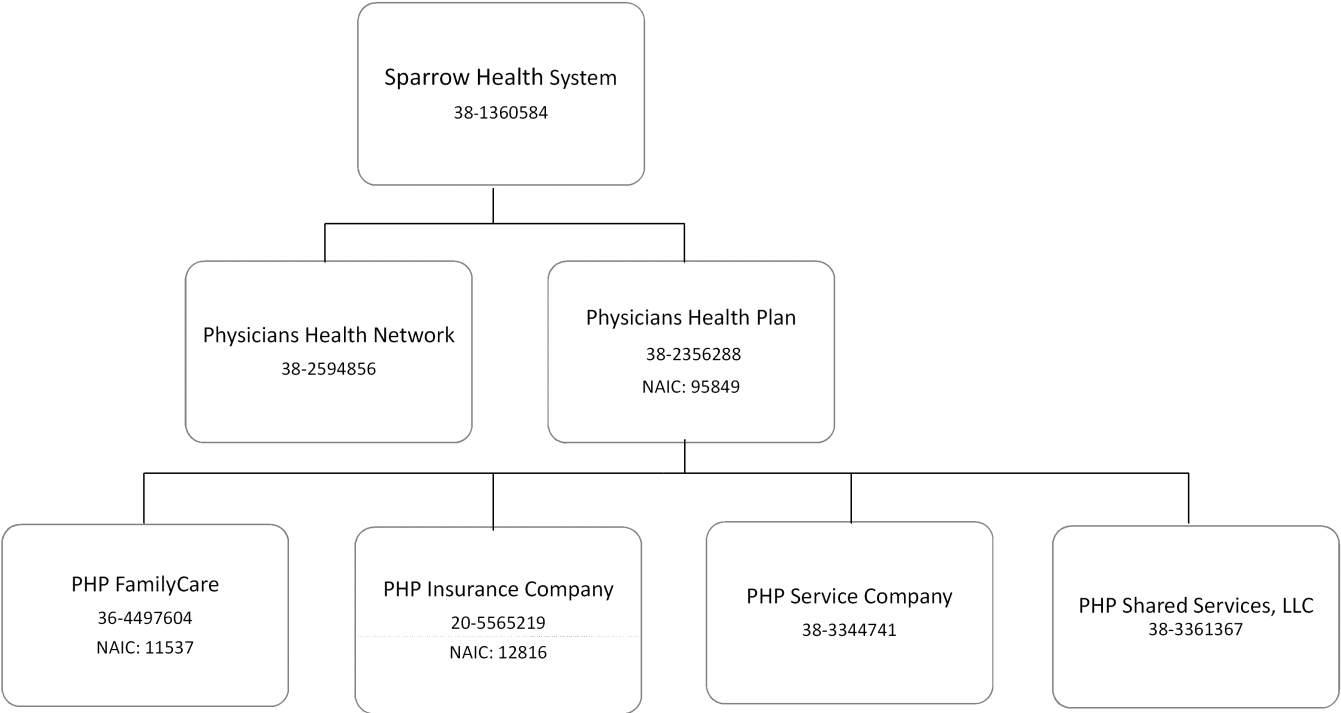
			1	Direct Business Only Year to Date							
			2	3	4	5	6	7	8	9	
States, Etc.			Active Status	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life and Annuity Premiums and Other Considerations	Property/ Casualty Premiums	Total Column 2 Through Column 7	Deposit-Type Contracts
1.	Alabama	AL	N								
2.	Alaska	AK	N								
3.	Arizona	AZ	N								
4.	Arkansas	AR	N								
5.	California	CA	N								
6.	Colorado	CO	N								
7.	Connecticut	CT	N								
8.	Delaware	DE	N								
9.	District of Columbia	DC	N								
10.	Florida	FL	N								
11.	Georgia	GA	N								
12.	Hawaii	HI	N								
13.	Idaho	ID	N								
14.	Illinois	IL	N								
15.	Indiana	IN	N								
16.	Iowa	IA	N								
17.	Kansas	KS	N								
18.	Kentucky	KY	N								
19.	Louisiana	LA	N								
20.	Maine	ME	N								
21.	Maryland	MD	N								
22.	Massachusetts	MA	N								
23.	Michigan	MI	L	83,888,824			838,315			84,727,139	
24.	Minnesota	MN	N								
25.	Mississippi	MS	N								
26.	Missouri	MO	N								
27.	Montana	MT	N								
28.	Nebraska	NE	N								
29.	Nevada	NV	N								
30.	New Hampshire	NH	N								
31.	New Jersey	NJ	N								
32.	New Mexico	NM	N								
33.	New York	NY	N								
34.	North Carolina	NC	N								
35.	North Dakota	ND	N								
36.	Ohio	OH	N								
37.	Oklahoma	OK	N								
38.	Oregon	OR	N								
39.	Pennsylvania	PA	N								
40.	Rhode Island	RI	N								
41.	South Carolina	SC	N								
42.	South Dakota	SD	N								
43.	Tennessee	TN	N								
44.	Texas	TX	N								
45.	Utah	UT	N								
46.	Vermont	VT	N								
47.	Virginia	VA	N								
48.	Washington	WA	N								
49.	West Virginia	WV	N								
50.	Wisconsin	WI	N								
51.	Wyoming	WY	N								
52.	American Samoa	AS	N								
53.	Guam	GU	N								
54.	Puerto Rico	PR	N								
55.	U. S. Virgin Islands	VI	N								
56.	Northern Mariana Islands	MP	N								
57.	Canada	CAN	N								
58.	Aggregate Other Alien	OT	X X X								
59.	Subtotal		X X X	83,888,824			838,315			84,727,139	
60.	Reporting entity contributions for Employee Benefit Plans		X X X								
61.	Total (Direct Business)	(a)	1	83,888,824			838,315			84,727,139	
DETAILS OF WRITE-INS											
58001.											
58002.											
58003.											
58998. Summary of remaining write-ins for Line 58 from overflow page											
58999. Total (Line 58001 through Line 58003 plus Line 58998)											
(Line 58 above)											

(a) Insert the number of "L" responses except for Canada and Other Alien.

Active Status Codes (Column 1):
(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG
(R) Registered - Non-domiciled RRGs
(Q) Qualified - Qualified or Accredited Reinsurer
(E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state
(N) None of the above - Not allowed to write business in the state

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES
OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y

PART 1A - DETAIL OF INSURANCE HOLDING COMPANY SYSTEM

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Group Code	Group Name	NAIC Company Code	Federal ID Number	Federal RSSD	CIK	Name of Securities Exchange if Publicly Traded (U.S. or International)	Names of Parent, Subsidiaries or Affiliates	Domiciliary Location	Relationship to Reporting Entity	Directly Controlled by (Name of Entity/Person)	Type of Control (Ownership, Board, Management, Attorney-in-Fact, Influence, Other)	If Control is Ownership Provide Percentage	Ultimate Controlling Entity(ies) /Person(s)	*
			38-1490180				CARSON CITY HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Influence		SPARROW HEALTH SYSTEM	
			38-3218134				SPARROW IONIA HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-6100687				SPARROW FOUNDATION	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-2594856				PHYSICIANS HEALTH NETWORK	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-2543305				SPARROW COMMUNITY CARE	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			14-1885340				SPARROW SPECIALTY HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-1358172				SPARROW CLINTON HOSPITAL	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-1360584				EW SPARROW HOSPITAL ASSOCIATION	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-2595963				SPARROW DEVELOPMENT, INC	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
			38-3075242				SPARROW CLINICAL RESEARCH INSTITUTE	MI	NIA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
3408	PHYSICIANS HEALTH PLAN	95849	38-2356288				PHYSICIANS HEALTH PLAN	MI	IA	SPARROW HEALTH SYSTEM	Ownership	100.000	SPARROW HEALTH SYSTEM	
3408	PHYSICIANS HEALTH PLAN	11537	36-4497604				PHP FAMILYCARE	MI	IA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	
3408	PHYSICIANS HEALTH PLAN	12816	20-5565219				PHP INSURANCE COMPANY	MI	IA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	
	PHYSICIANS HEALTH PLAN		38-3344741				PHP SERVICE COMPANY	MI	NIA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	
	PHYSICIANS HEALTH PLAN		38-3361367				PHP SHARED SERVICES, LLC	MI	NIA	PHYSICIANS HEALTH PLAN	Ownership	100.000	SPARROW HEALTH SYSTEM	

Asterisk	Explanation
----------	-------------

NONE

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing . However , in the event that your company does not transact the type of business for which the special report must be filed , your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below . If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATIONS and provide an explanation following the interrogatory questions .

	RESPONSE
1. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement?	YES

EXPLANATIONS:

BAR CODE:

Document Identifier 365:

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	1,864,644	1,964,324
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		6,800
3. Current year change in encumbrances		
4. Total gain (loss) on disposals		
5. Deduct amounts received on disposals		
6. Total foreign exchange change in book/adjusted carrying value		
7. Deduct current year's other than temporary impairment recognized		
8. Deduct current year's depreciation	54,147	106,480
9. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 minus Line 5 plus Line 6 minus Line 7 minus Line 8)	1,810,497	1,864,644
10. Deduct total nonadmitted amounts		
11. Statement value at end of current period (Line 9 minus Line 10)	1,810,497	1,864,644

SCHEDULE B - VERIFICATION

Mortgage Loans

	1	2
	Year To Date	Prior Year Ended December 31
1. Book value/recorded investment excluding		
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after a		
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)		
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals		
8. Deduct amortization of premium and mort		
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		
10. Deduct current year's other than temporary impairment recognized		
11. Book value/recorded investment excluding accrued interest at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)		
12. Total Valuation Allowance		
13. Subtotal (Line 11 plus Line 12)		
14. Deduct total nonadmitted amounts		
15. Statement value at end of current period (Line 13 minus Line 14)		

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	6,259,898	6,413,428
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		
2.2 Additional investment made after acquisition		104,000
3. Capitalized deferred interest and other		
4. Accrual of discount		
5. Unrealized valuation increase (decrease)	474,668	(257,530)
6. Total gain (loss) on disposals		
7. Deduct amounts received on disposals	2,214	
8. Deduct amortization of premium and depreciation		
9. Total foreign exchange change in book/adjusted carrying value		
10. Deduct current year's other than temporary impairment recognized		
11. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 plus Line 6 minus Line 7 minus Line 8 plus Line 9 minus Line 10)	6,732,352	6,259,898
12. Deduct total nonadmitted amounts		
13. Statement value at end of current period (Line 11 minus Line 12)	6,732,352	6,259,898

SCHEDULE D - VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	38,386,562	49,532,834
2. Cost of bonds and stocks acquired	1,267,124	1,412,676
3. Accrual of discount		
4. Unrealized valuation increase (decrease)	526,012	2,987,651
5. Total gain (loss) on disposals	165,589	16,455
6. Deduct consideration for bonds and stocks disposed of	1,111,867	15,563,054
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 plus Line 2 plus Line 3 plus Line 4 plus Line 5 minus Line 6 minus Line 7 plus Line 8 minus Line 9)	39,233,420	38,386,562
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	39,233,420	38,386,562

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1	2	3	4	5	6	7	8
	Book/Adjusted Carrying Value Beginning of Current Quarter	Acquisitions During Current Quarter	Dispositions During Current Quarter	Non-Trading Activity During Current Quarter	Book/Adjusted Carrying Value End of First Quarter	Book/Adjusted Carrying Value End of Second Quarter	Book/Adjusted Carrying Value End of Third Quarter	Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1 (a)	24,980,544	28,791,361	32,073,736		24,980,544	21,698,169		22,722,946
2. Class 2 (a)								
3. Class 3 (a)								
4. Class 4 (a)								
5. Class 5 (a)								
6. Class 6 (a)								
7. Total Bonds	24,980,544	28,791,361	32,073,736		24,980,544	21,698,169		22,722,946
PREFERRED STOCK								
8. Class 1								
9. Class 2								
10. Class 3								
11. Class 4								
12. Class 5								
13. Class 6								
14. Total Preferred Stock								
15. Total Bonds and Preferred Stock	24,980,544	28,791,361	32,073,736		24,980,544	21,698,169		22,722,946

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation:
NAIC 1 \$.....; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....

SCHEDULE DA - PART 1

Short-Term Investments

	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	21,698,170	X X X	21,698,170	3,216

SCHEDULE DA - VERIFICATION

Short-Term Investments

	1	2
	Year To Date	Prior Year Ended December 31
1. Book / adjusted carrying value, December 31 of prior year	22,722,946	6,518,613
2. Cost of short-term investments acquired	52,690,419	126,987,966
3. Accrual of discount		
4. Unrealized valuation increase (decrease)		
5. Total gain (loss) on disposals		
6. Deduct consideration received on disposals	53,715,195	110,783,633
7. Deduct amortization of premium		
8. Total foreign exchange change in book/adjusted carrying value		
9. Deduct current year's other than temporary impairment recognized		
10. Book/adjusted carrying value at end of current period (Line 1 + Line 2 + Line 3 + Line 4 + Line 5 - Line 6 - Line 7 + Line 8 - Line 9)	21,698,171	22,722,946
11. Deduct total nonadmitted amounts		
12. Statement value at end of current period (Line 10 minus Line 11)	21,698,171	22,722,946

Page SI04

Schedule DB, Part A, Verification
NONE

Schedule DB, Part B, Verification
NONE

Page SI05

Schedule DB, Pt. C, Section 1, Replicated (Synthetic Assets) Open
NONE

Page SI06

Sch DB, Pt C, Sn 2, Replication (Syn Assets) Transactions Open
NONE

Page SI07

Schedule DB, Verification
NONE

Page SI08

Schedule E, Verification (Cash Equivalents)
NONE

Page E01

Sch. A, Pt. 2, Real Estate Acquired
NONE

Sch. A, Pt. 3, Real Estate Disposed
NONE

Page E02

Schedule B, Part 2, Mortgage Loans Acquired
NONE

Schedule B, Part 3, Mortgage Loans Disposed
NONE

Page E03

Sch. BA, Pt. 2, Other Long-Term Invested Assets Acquired
NONE

Sch. BA, Pt. 3, Other Long-Term Invested Assets Disposed
NONE

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10
CUSIP Identification	Description	Foreign	Date Acquired	Name of Vendor	Number of Shares of Stock	Actual Cost	Par Value	Paid for Accrued Interest and Dividends	NAIC Designation or Market Indicator (a)
Bonds - U.S. Governments									
783980-20-4	SEI INSTITUTIONAL INVESTMENT TRUST-COR		06/28/2013	NON-BROKER TRADE, BO		86,203			L
0599999	Subtotal - Bonds - U.S. Governments					86,203			
8399997	Subtotal - Bonds - Part 3					86,203			
8399999	Subtotal - Bonds					86,203			
9999999	TOTALS					86,203			

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues

SCHEDULE D - PART 4

Show All Long-Term Bonds and Stock Sold , Redeemed or Otherwise Disposed of
by the Company During the Current Quarter

1	2	3	4	5	6	7	8	9	10	Change In Book/Adjusted Carrying Value					16	17	18	19	20	21	22
										11	12	13	14	15							
CUSIP Identifi- cation	Description	Foreign	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/ Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amort- ization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11+12-13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/ Stock Dividends Received During Year	Stated Contractual Maturity Date	NAIC Designa- tion or Market Indi- cator (a)
Common Stocks - Mutual Funds																					
783980-20-4	SEI INSTITUTIONAL INVESTMENT TRUST-CO		05/31/2013	NON-BROKER TRADE, BO	1,970.000	20,769		20,493	21,084	(591)			(591)		20,493		276	276	60		L
783980-77-4	SEI INSTITUTIONAL INVESTMENT TRUST-WO		05/31/2013	NON-BROKER TRADE, BO	1,083.000	12,461		10,058	11,758	(1,700)			(1,700)		10,058		2,403	2,403			L
783980-81-6	SEI INSTITUTIONAL INVESTMENT TRUST-SM		05/31/2013	NON-BROKER TRADE, BO	199.000	3,115		2,359	2,665	(306)			(306)		2,359		757	757			L
783980-82-4	SEI INSTITUTIONAL INVESTMENT TRUST-LA		05/31/2013	NON-BROKER TRADE, BO	1,176.000	15,577		11,835	13,530	(1,694)			(1,694)		11,835		3,741	3,741			L
9299999	Subtotal - Common Stocks - Mutual Funds					51,922		44,745	49,037	(4,291)			(4,291)		44,745		7,177	7,177	60		
9799997	Subtotal - Common Stocks - Part 4					51,922		44,745	49,037	(4,291)			(4,291)		44,745		7,177	7,177	60		
9799999	Subtotal - Common Stocks					51,922		44,745	49,037	(4,291)			(4,291)		44,745		7,177	7,177	60		
9899999	Subtotal - Preferred and Common Stocks					51,922		44,745	49,037	(4,291)			(4,291)		44,745		7,177	7,177	60		
9999999	TOTALS					51,922		44,745	49,037	(4,291)			(4,291)		44,745		7,177	7,177	60		

(a) For all common stock bearing the NAIC market indicator 'U' provide: the number of such issues

Page E06

Schedule DB, Part A, Section 1
NONE

Description of Hedged Risk (s)
NONE

Financial or Economic Impact of the Hedge
NONE

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Schedule DB, Part B, Section 1
NONE

Schedule DB, Part B, Section 1, Broker Name
NONE

Schedule DB, Part B, Description of Hedged Risk (s)
NONE

Schedule DB, Part B, Financial or Economic Impact of the Hedge
NONE

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Schedule DB, Part D, Section 1
NONE

Page E09

Schedule DB, Part D, Section 2, By Reporting Entity
NONE

Schedule DB, Part D, Section 2, To Reporting Entity
NONE

Page E10

Schedule DL, Part 1
NONE

Page E11

Schedule DL, Part 2
NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

1 Depository		2	3	4	5	Book Balance at End of Each Month During Current Quarter			9
		Code	Rate of Interest	Amount of Interest Received During Current Quarter	Amount of Interest Accrued at Current Statement Date	6	7	8	*
Name	Location and Supplemental Information					First Month	Second Month	Third Month	
Open Depositories									
COMERICA BANK	LANSING, MICHIGAN					(3,828,733)	(5,338,661)	(7,738,804)	
0199999 - TOTAL - Open Depositories						(3,828,733)	(5,338,661)	(7,738,804)	
0399999 - TOTAL Cash on Deposit						(3,828,733)	(5,338,661)	(7,738,804)	
0599999 - TOTALS						(3,828,733)	(5,338,661)	(7,738,804)	

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Schedule E, Part 2, Cash Equivalents
NONE



SUPPLEMENT FOR THE QUARTER ENDING JUNE 30 , 2013 OF THE PHYSICIANS HEALTH PLAN

MEDICARE PART D COVERAGE SUPPLEMENT
(Net of Reinsurance)

NAIC Group Code: 3408 NAIC Company Code: 95849

	1	2	3	4	5
	Individual Coverage		Group Coverage		Total Cash
	Insured	Uninsured	Insured	Uninsured	
1. Premiums Collected	<div>NONE</div>				XXX
2. Earned Premiums					XXX
3. Claims Paid					XXX
4. Claims Incurred					XXX
5. Reinsurance Coverage and Low Income (
Claims Paid Net of Reimbursements App					
6. Aggregate Policy Reserves - Change ...					XXX
7. Expenses Paid					XXX
8. Expenses Incurred					XXX
9. Underwriting Gain or Loss					XXX
10. Cash Flow Result	XXX	XXX	XXX	XXX	
(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$ due from CMS or \$ due to CMS					